

117TH CONGRESS
2D SESSION

H. R. 7934

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to growth and energy security in the Western Hemisphere.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2022

Mr. ESPAILLAT introduced the following bill; which was referred to the
Committee on Foreign Affairs

A BILL

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to growth and energy security in the Western Hemisphere.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Las Americas Energy
5 Security Act”.

6 **SEC. 2. FINDINGS; PURPOSE; STATEMENT OF POLICY.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Energy independence and security are crit-
2 ical for a country to maintain its sovereignty and
3 independence.

4 (2) The International Energy Agency (“IEA”)
5 defines energy security as the uninterrupted avail-
6 ability of energy sources at an affordable price.

7 (3) The IEA defines long-term energy security
8 as primarily dealing with timely investments to sup-
9 ply energy in line with economic developments and
10 environmental needs.

11 (4) The IEA defines short-term energy security
12 as focusing on the ability of a country’s energy sys-
13 tem to react promptly to sudden changes in the sup-
14 ply-demand balance.

15 (5) The IEA found in February 2022 that Rus-
16 sia’s unlawful invasion of Ukraine poses serious im-
17 plications for international energy security.

18 (6) The Intergovernmental Panel on Climate
19 Change (IPCC), a United Nations body that pro-
20 vides regular assessments on climate change, issued
21 its sixth report in February 2022, and found that
22 “human-induced climate change, including more fre-
23 quent and intense extreme events, has caused wide-
24 spread adverse impacts and related losses and dam-

1 ages to nature and people, beyond natural climate
2 variability’.

3 (7) The IPCC notes that to avoid mounting loss
4 of life, biodiversity, and infrastructure, we must have
5 ambitious, accelerated action to adapt to climate
6 change, while also making rapid, deep cuts in green-
7 house gas emissions.

8 (8) The World Meteorological Organization’s
9 State of the Climate in Latin America and the Car-
10 ibbean 2020 report found that—

11 (A) widespread drought across Latin
12 America and the Caribbean has had significant
13 impact on inland shipping routes, crop yields,
14 and food production, and consequently led to
15 worsening food insecurity;

16 (B) extreme weather events affected more
17 than 8 million people across Central America,
18 exacerbating food insecurity in countries al-
19 ready crippled by economic shocks, COVID–19
20 impacts, and conflict; and

21 (C) sea-level rise poses a major risk to low-
22 lying coastal zones in the Latin America and
23 the Caribbean.

24 (9) Rising commodity and energy prices, as well
25 as other global economic shocks such as those

1 caused by natural disasters, pandemics, and conflict,
2 pose a serious food security risk that may lead to so-
3 cial unrest and instability in Latin America and the
4 Caribbean.

5 (b) SENSE OF CONGRESS.—It is the sense of Con-
6 gress that the United States has economic and national
7 security interests in assisting Latin America and the Car-
8 ibbean to achieve energy security.

9 (c) STATEMENT OF POLICY.— It is the policy of the
10 United States—

11 (1) to advance United States foreign policy and
12 development goals by helping Latin America and the
13 Caribbean meet its short-term energy needs;

14 (2) to promote the energy security of Latin
15 America and the Caribbean by encouraging the de-
16 velopment of accessible, transparent, and competitive
17 energy markets that provide diversified sources,
18 types, and routes of energy, prioritizing renewable
19 energy practices that address challenges posed by
20 climate change;

21 (3) to encourage United States public and pri-
22 vate sector investment in Latin American and Carib-
23 bean energy infrastructure projects to bridge the gap
24 between energy security requirements and commer-
25 cial demand in a way that is consistent with the re-

1 gion’s absorptive capacity, and that recognizes the
2 importance of building and widening the absorptive
3 capacity of the region; and

4 (4) to help facilitate the export of United States
5 energy resources, technology, and expertise to global
6 markets in a way that benefits the energy security
7 of Latin America and the Caribbean.

8 **SEC. 3. SOVEREIGN LENDING PROGRAM FOR ELIGIBLE**
9 **LATIN AMERICAN AND CARIBBEAN PARTNER**
10 **COUNTRIES.**

11 (a) IN GENERAL.—Not later than 30 days after the
12 date of the enactment of this Act, the Secretary of the
13 Treasury, with the concurrence of the Secretary of State,
14 shall establish a sovereign lending program for eligible
15 Latin American and Caribbean partner countries—

16 (1) to support their short-term energy needs;
17 and

18 (2) to fund projects that help them transition
19 to renewable energy.

20 (b) APPLICATION.—To be eligible to receive a loan
21 under the program, an eligible Latin American or Carib-
22 bean partner country shall submit to the Secretary of the
23 Treasury an application at such time, in such manner, and
24 containing such information as the Secretary may require.

1 (c) LOAN CONDITIONS.—A loan provided under the
2 program—

3 (1) shall be—

4 (A) a zero-interest loan, not to exceed 30
5 years in duration; or

6 (B) a low-interest concessional loan, not to
7 exceed 50 years in duration;

8 (2) shall not contain any requirements that an
9 eligible Latin American or Caribbean partner coun-
10 try engage in austerity measures or policies that in-
11 crease poverty and inequality, diminish the quality of
12 life, and threaten the immediate access of goods and
13 services; and

14 (3) shall be subject to such other terms and
15 conditions as the Secretary of Treasury, with the
16 concurrence of the Secretary of State, determines to
17 be appropriate.

18 (d) REPORT.—

19 (1) IN GENERAL.—Not later than 180 days
20 after the date of the enactment of this Act, and an-
21 nually thereafter for 5 years, the Secretary of Treas-
22 ury, with the concurrence of the Secretary of State,
23 shall submit to the Committee on Foreign Affairs of
24 the House of Representatives and the Committee on

1 Foreign Relations of the Senate a report on progress
2 in the implementation of the program.

3 (2) MATTERS TO BE INCLUDED.—The report
4 shall—

5 (A) include a description of how the pro-
6 gram strengthens United States national secu-
7 rity and economic interests in Latin America
8 and the Caribbean;

9 (B) include an assessment of—

10 (i) the status and effectiveness of cur-
11 rent efforts by regional governments, mul-
12 tilateral development banks, and the pri-
13 vate sector to promote energy independ-
14 ence and security in Latin America and
15 the Caribbean and to transition to renew-
16 able energy practices;

17 (ii) major challenges hindering such
18 efforts; and

19 (iii) how the United States can
20 strengthen the effectiveness of such efforts;

21 (C) identify how activities by the United
22 States Agency for International Development
23 and the United States International Develop-
24 ment Finance Corporation can effectively be le-
25 veraged to strengthen and promote energy inde-

1 pendence and security in Latin America and the
2 Caribbean;

3 (D) assess diplomatic initiatives taken to
4 secure specific national commitments by govern-
5 ments of eligible Latin American and Caribbean
6 partner countries to undertake efforts to create
7 favorable conditions for energy security and
8 independence in the region, address corruption
9 and rule of law concerns, modernize digital and
10 physical infrastructure, improve ease of doing
11 business, and finance and incentivize energy se-
12 curity initiatives; and

13 (E) detail coordination of efforts with rel-
14 evant multilateral development banks to ad-
15 vance energy security and independence of eligi-
16 ble Latin American and Caribbean partner
17 countries.

18 (e) ANNUAL AUDIT.—The Secretary of Treasury—

19 (1) shall ensure that a full audit of the program
20 is performed on an annual basis; and

21 (2) shall submit the results of the audit to the
22 Committee on Foreign Affairs of the House of Rep-
23 resentatives and the Committee on Foreign Rela-
24 tions of the Senate.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to the Secretary of the
3 Treasury \$100,000,000 for each of fiscal years 2023
4 through 2028 to carry out the program.

5 (g) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
6 PARTNER COUNTRY DEFINED.—In this section, the term
7 “eligible Latin American or Caribbean partner country”
8 means—

9 (1) a country that—

10 (A) is a beneficiary country for purposes of
11 the Caribbean Basin Economic Recovery Act
12 (19 U.S.C. 2701 et seq.);

13 (B) is a member state of the Caribbean
14 Community (commonly referred to as
15 “CARICOM”); or

16 (C) is a country in the Western Hemi-
17 sphere that is a party to a free trade agreement
18 or preference program with the United States;
19 or

20 (2) any other country in the Western Hemi-
21 sphere, as determined to be appropriate by the Sec-
22 retary of State.

1 **SEC. 4. SUPPORTING EFFORTS TO INCREASE ENERGY SE-**
2 **CURITY OF ELIGIBLE LATIN AMERICAN AND**
3 **CARIBBEAN PARTNER COUNTRIES.**

4 (a) IN GENERAL.—The Secretary of State, in con-
5 sultation with the Secretary of Energy and the heads of
6 other relevant Federal departments and agencies, shall, as
7 appropriate, prioritize and expedite the efforts of the De-
8 partment of State and those other departments and agen-
9 cies in supporting the efforts of eligible Latin American
10 and Caribbean partner countries to increase their energy
11 security, including through—

12 (1) providing diplomatic and political support to
13 these governments, as necessary—

14 (A) to facilitate international negotiations
15 concerning cross-border infrastructure and
16 transactions;

17 (B) to enhance and build the Latin Amer-
18 ica’s and the Caribbean’s regulatory environ-
19 ment with respect to energy; and

20 (C) to develop accessible, transparent, and
21 competitive energy markets supplied by diverse
22 sources, types, and routes of energy to achieve
23 energy efficiency; and

24 (2) providing support to improve Latin Amer-
25 ican and Caribbean energy markets, including early-
26 stage project support and late-stage project support

1 for the construction or improvement of energy and
2 related infrastructure, as necessary—

3 (A) to diversify the energy sources and
4 supply routes of eligible Latin American and
5 Caribbean partner countries;

6 (B) to enhance energy market integration
7 across the region; and

8 (C) to increase competition and aggregate
9 energy markets.

10 (b) PROJECT SELECTION.—

11 (1) IN GENERAL.—The Federal departments
12 and agencies described in subsection (a) shall iden-
13 tify energy infrastructure projects that would be ap-
14 propriate for United States assistance under this
15 section.

16 (2) PROJECT ELIGIBILITY.—A project is eligible
17 for United States assistance under this section if the
18 project—

19 (A)(i) improves electricity transmission in-
20 frastructure and power generation through the
21 use of a broad power mix, prioritizing renewable
22 energy or energy efficiency; or

23 (ii) advances electricity storage projects,
24 smart grid projects, distributed generation mod-

1 els, or other technological innovations, as ap-
2 propriate; and

3 (B) is located in an eligible Latin Amer-
4 ican of Caribbean partner country.

5 (3) PREFERENCE.—In selecting among projects
6 that are eligible under paragraph (2), the Federal
7 departments and agencies described in subsection
8 (a) shall give preference to projects that—

9 (A) link the energy systems of two or more
10 Latin American and Caribbean partner coun-
11 tries;

12 (B) address the impacts of climate change;

13 (C) enhance resilience to global economic
14 shocks;

15 (D) are expected to enhance energy market
16 integration;

17 (E) can attract funding from the private
18 sector, an international financial institution, or
19 the government of the country in which the
20 project will be carried out; or

21 (F) have the potential to use United States
22 goods and services during project implementa-
23 tion.

24 (c) TYPES OF ASSISTANCE.—

1 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

2 The Secretary of State shall provide diplomatic and
3 political support to the governments of eligible Latin
4 American and Caribbean countries, as necessary, in-
5 cluding by using the diplomatic and political influ-
6 ence and expertise of the Department of State to
7 build the capacity of those countries to resolve any
8 impediments to the development of projects selected
9 under subsection (b).

10 (2) EARLY-STAGE PROJECT SUPPORT.—The Di-

11 rector of the Trade and Development Agency, in
12 consultation with the Inter-American Development
13 Bank, the Caribbean Development Bank, and the
14 World Bank, shall provide early-stage project sup-
15 port with respect to projects selected under sub-
16 section (b), as necessary.

17 (3) LATE-STAGE PROJECT SUPPORT.—Federal

18 departments and agencies described in subsection
19 (a) that provide late-stage project support shall do
20 so with respect to projects selected under subsection
21 (b), as necessary.

22 (d) EXCEPTION FROM CERTAIN LIMITATION UNDER
23 BUILD ACT.—

24 (1) IN GENERAL.—For purposes of providing
25 support for projects under this section—

1 (A) the United States International Development Finance Corporation may provide support for projects in countries with upper-middle-income economies or high-income economies (as those terms are defined by the World Bank);

2 (B) the restriction under section 1412(c)(2) of the BUILD Act of 2018 (22 U.S.C. 9612(c)(2)) shall not apply; and

3 (C) the Corporation shall restrict the provision of such support in a country described in subparagraph (A) unless—

4 (i) the President certifies to the appropriate congressional committees that such support furthers the national economic or foreign policy interests of the United States; and

5 (ii) such support is—

6 (I) designed to produce significant developmental outcomes or provide developmental benefits to the poorest population of that country; or

7 (II) necessary to preempt or counter efforts by a strategic competitor of the United States to secure

1 significant political or economic lever-
2 age or acquire national security-sen-
3 sitive technologies or infrastructure in
4 a country that is an ally or partner of
5 the United States.

6 (e) PROGRESS REPORTS.—Not later than one year
7 after the date of the enactment of this Act, and annually
8 thereafter for seven years, the President shall transmit to
9 the Committee on Foreign Affairs of the House of Rep-
10 resentatives and the Committee on Foreign Relations of
11 the Senate a report on progress made in providing assist-
12 ance for projects under this section that includes the fol-
13 lowing:

14 (1) A description of the energy infrastructure
15 projects the United States has identified for such as-
16 sistance.

17 (2) For each such project—

18 (A) A description of the role of the United
19 States in the project, including in early-stage
20 project support and late-stage project support;

21 (B) the amount and form of any debt fi-
22 nancing and insurance provided by the United
23 States Government for the project;

24 (C) the amount and form of any early-
25 stage project support; and

1 (D) an update on the progress made on
2 the project as of the date of the report.

3 (f) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
4 PARTNER COUNTRY DEFINED.—In this section, the term
5 “eligible Latin American or Caribbean partner country”
6 has the meaning given that term in section 3(g).

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